

Message Text

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PAGE 01 BONN 14368 271731Z

46

ACTION EB-07

INFO OCT-01 EUR-12 EA-07 ISO-00 SS-15 NSC-05 STR-04 AID-05

CEA-01 CIAE-00 COME-00 FRB-03 INR-07 IO-13 NEA-10

NSAE-00 USIA-06 OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04

SIL-01 OMB-01 PA-01 PRS-01 /110 W

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P R 271717Z AUG 76

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 1388

INFO AMEMBASSY TOKYO

AMEMBASSY CANBERRA

AMEMBASSY OTTAWA

AMEMBASSY MADRID

AMEMBASSY STOCKHOLM

AMEMBASSY BERN

AMEMBASSY PARIS

USMISSION EC BRUSSELS

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

AMEMBASSY DUBLIN

USMISSION OECD PARIS

C O N F I D E N T I A L BONN 14368

E.O. 11652: GDS

TAGS: ENRG, CIEC

SUBJECT: KISSINGER'S REPLY TO MACEACHEN

REF: STATE 212203/1

1. TEXT OF THE SECRETARY'S REPLY TO MACEACHEN HANDED

TO DR. KRUSE IN MFA ON AUG. 27. KRUSE'S FIRST

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PAGE 02 BONN 14368 271731Z

REACTION WAS TO EXPRESS CONCERN THAT NEXT MEETINGS OF

CIEC COULD WELL BE CONSIDERABLY DELAYED. POSTPONEMENT OF SEPTEMBER SESSIONS FOR SEVERAL WEEKS WOULD IN HIS VIEW CAUSE LITTLE HARM. HOWEVER, HE FELT THAT A LONGER DELAY WOULD MAKE IT IMPOSSIBLE TO HOLD SUBSTANTIVE DISCUSSIONS THIS FALL IN VIEW OF UPCOMING U.S. ELECTIONS. COVERING OLD GROUND, KRUSE EXPLAINED THAT FRG AND OTHER EUROPEAN COUNTRIES REMAIN MORE VULNERABLE THAN U.S. RESPECTING ENERGY AND OTHER COMMODITY IMPORTS AND THUS MUST CONTEMPLATE WITH LESS EQUANIMITY THAN U.S. AN INCREASE OF TENSION IN NORTH/SOUTH DIALOGUE. A LONG POSTPONEMENT OF NEXT CIEC SESSION WOULD NOT ONLY HAVE ADVERSE IMPACT ON UNGA SESSION, BUT WOULD ADD TO THE PRESSURES ON OPEC MODERATES TO AGREE TO A SUBSTANTIAL INCREASE IN OIL PRICES.

2. KRUSE EXPRESSED CONVICTION THAT G-8 MUST MAKE EARNEST EFFORT TO FIND WAY OUT OF CURRENT IMPASSE. HE CONFIRMED THAT FRG AGREES COMPLETELY WITH U.S. IN ITS FIRM REJECTION OF INDEXATION. HOWEVER, AS FAR AS GENERALIZED DEBT RELIEF IS CONCERNED, KRUSE THOUGHT FRG IS PREPARED TO TAKE A SOMEWHAT MORE FLEXIBLE STANCE. WHILE FINANCE MINISTRY WOULD AGREE FULLY WITH U.S. VIEW, MFA AND ECONMIN ARE WILLING TO EXPLORE WHAT STEPS MIGHT BE NECESSARY TO REACH A COMPROMISE ON FORMULATING CIEC WORK PROGRAMS. NOTING THAT SECRETARY KISSINGER REFERRED TO THE NEED TO RESPOND TO LDC CONCERNS RE TRANSFER OF RESOURCES, KRUSE ASKED WHETHER U.S. IS PREPARED TO INCREASE RESOURCE FLOW TO LDCS. THE FRG FOR ITS PART WOULD FACE SUBSTANTIAL DIFFICULTIES IN MOVING TO .7 PERCENT TARGET, KRUSE EXPLAINED. EMBOFF POINTED TO U.S. INTEREST, EXPRESSED IN PENULTIMATE PARAGRAPH OF SECRETARY'S LETTER, IN INCREASING THE EFFICIENCY OF EXTERNAL ASSISTANCE, AND PRESUMED THAT U.S. THINKING WOULD BE IN THIS DIRECTION.

3. NOTING THAT MACEACHEN HAD GIVEN PEREZ GUERRERO AN INTERIM REPLY ON AUGUST 5 IN WHICH HE EXPRESSED HOPE THAT MORE NEUTRAL FORMULATION OF THE CIEC WORK PROGRAM COULD BE FOUND, KRUSE THOUGHT THAT IT MIGHT NOW BE BEST

CONFIDENTIAL

PAGE 03 BONN 14368 271731Z

FOR G-8 TO WAIT FOR RESPONSE FROM PEREZ GUERRERO. KRUSE ASKED WHETHER WE COULD PROVIDE DATE ON WHICH THE SECRETARY'S REPLY WAS MADE TO MACEACHEN. CASH

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Disposition Case Number: n/a
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Disposition Reason:
Disposition Remarks:
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